

## PROPERTY TAX BASE INFORMATION

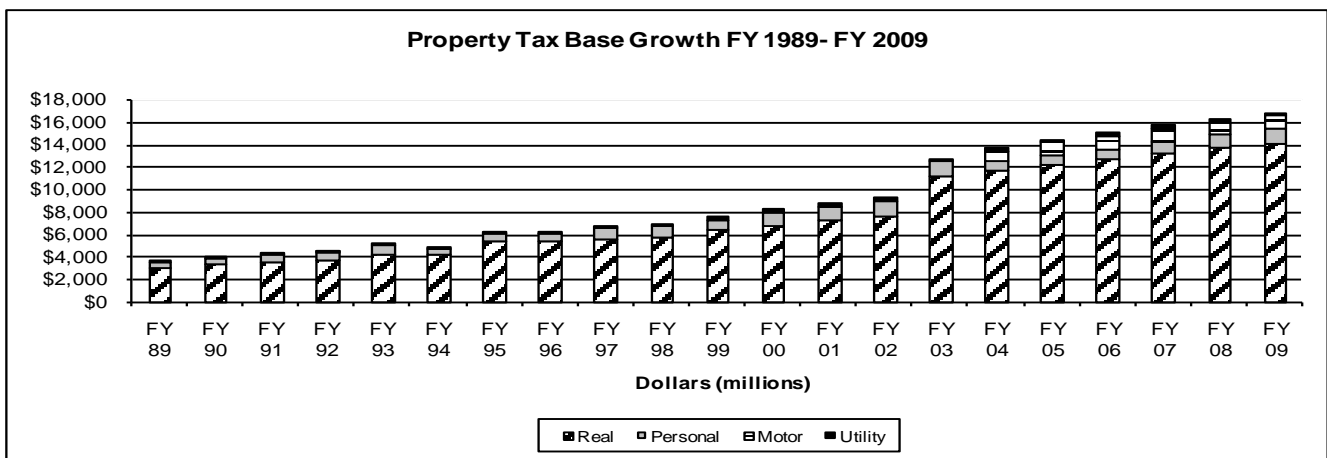
### Tax Base Components:

**Real Property** is comprised of all land and buildings that are taxable. Based on revaluation data from the County Tax Assessor's Office we assume an increase of 34.5% in real property. This data, historical growth patterns and the rate of development in Durham were used to project the real property figures for FY 2008-09. Real property makes up approximately 86% of the tax base for FY 2008-09.

**Personal Property** is comprised of property located in businesses. Based on data from the County Tax Assessor's office and recent trends in this category personal property we assume an increase of .48%. Personal property makes up approximately 7% of the tax base in FY 2008-09. Motor Vehicles were included in this category prior to FY 1998-99.

**Motor Vehicle** is comprised of items such as automobiles, boats, trailers and equipment. We assume no change in value for motor vehicle personal property based on data from the County Tax Assessor's office. Motor Vehicle property makes up approximately 6% of the tax base in FY 2008-09.

**Public Utility Property** is a state-certified value consisting of businesses such as electric utility, telephone, railroad and trucking companies. Based on data from the County Tax Assessor's office we assume an increase of 17%. Public utility property makes up approximately 1% of the tax base in FY 2008-09.



The table below depicts the annual property valuation changes that have occurred in the four components of the tax base since FY 1998-99. Property is reassessed every eight years. The last revaluation is effective with the FY2008-2009 fiscal year. (Sources: City Financial Reports, County Tax Office)

Fiscal Year	Real	% Chg	Personal	% Chg	Motor	% Chg	Utility	% Chg
FY 99	6,707	5.98%	775	-38.49%	844	N/A	303	11.70%
FY 00	7,124	6.22%	869	12.18%	1,121	32.86%	313	3.22%
FY 01	7,520	5.55%	954	9.74%	1,125	0.28%	278	-11.01%
FY 02	11,171	48.56%	1,139	19.44%	1,147	2.03%	379	36.31%
FY 03	11,652	4.31%	1,186	4.14%	1,175	2.41%	345	-9.06%
FY 04	12,099	3.83%	1,248	5.23%	1,162	-1.11%	334	-3.18%
FY 05	12,594	4.09%	1,244	-0.32%	1,169	0.60%	324	-2.89%
FY 06	13,086	3.91%	1,347	8.28%	1,212	3.68%	321	-1.03%
FY 07	13,583	3.80%	1,408	4.53%	1,343	10.81%	279	-13.08%
FY 08	14,060	3.51%	1,450	2.98%	1,343	0.00%	279	0.00%
FY 09	18,740	33.29%	1,443	-0.48%	1,343	0.00%	279	0.00%

## TAX RATE AND ESTIMATED TAX COLLECTIONS

	<b>Actual FY2006-2007</b>	<b>Adopted FY2007-08</b>	<b>Estimated FY2007-2008</b>	<b>Adopted FY 2008-09</b>
<b>Assessed Value</b>				
Real Property	\$ 13,583,443,891	\$ 14,059,557,426	\$ 14,174,046,400	\$ 18,914,682,379
Personal Property	1,407,984,317	1,450,223,847	1,487,533,729	1,443,284,045
Motor Vehicles	1,343,234,609	1,343,234,609	1,377,907,388	1,343,234,609
Public Utility Property	278,513,764	278,513,764	326,044,647	326,391,840
<b>Assessed Valuation</b>	<b>\$ 16,613,176,581</b>	<b>\$ 17,131,529,646</b>	<b>\$ 17,365,532,164</b>	<b>\$ 22,027,592,873</b>
<b>Tax Rate Per \$100 Valuation</b>				
General Fund	0.5945	0.6130	0.6130	0.5385
Civic Center	0.0085	0.0050	0.0050	0.0015
<b>Total Tax Rate</b>	<b>0.6030</b>	<b>0.6180</b>	<b>0.6180</b>	<b>0.5400</b>
<b>Tax Levy</b>	<b>\$ 100,177,455</b>	<b>\$ 105,872,853</b>	<b>\$ 107,318,989</b>	<b>\$ 118,949,002</b>
<b>Less: Uncollected Taxes</b>	<b>\$ (1,642,910)</b>	<b>\$ (1,736,315)</b>	<b>\$ (1,760,031)</b>	<b>\$ (1,665,286)</b>
<b>Estimated Collectable Levy</b>	<b>\$ 98,534,545</b>	<b>\$ 104,136,538</b>	<b>\$ 105,558,957</b>	<b>\$ 117,283,715</b>
<b>Appropriated to:</b>				
General Fund	\$ 97,145,583	\$ 103,294,010	\$ 104,704,920	\$ 116,957,927
Civic Center	\$ 1,388,961	\$ 842,529	\$ 854,037	\$ 325,788
<b>*one cent equals</b>	<b>\$ 1,634,072</b>	<b>\$ 1,685,057</b>	<b>\$ 1,708,074</b>	<b>\$ 2,171,921</b>

The FY 2008-09 preliminary budget includes a lower tax rate due to the revaluation which is effective for the FY2008-09 budget. The proposed tax rate is 7.8 cents lower than the FY2007-08 rate. The budget includes 0.6 cents for debt service for the 2005 and 2007 General Obligation Bonds and 10.6 cents dedicated to the total debt service requirements for the City of Durham.

The tax levy is the product of the tax rate and the assessed valuation divided by 100. The tax levy is adjusted for uncollected taxes and discounts.

- The tax levy is adjusted for an assumed amount of uncollected taxes. By state law, the City must account for uncollected taxes at the level of uncollected taxes projected at June 30. For FY 2007-08 the amount of uncollected taxes is equal to 1.4% of the tax levy.
- Tax bills are sent as soon as practical after July 1 and are considered delinquent on January 5.

The budget for current property taxes is based on the amount of estimated property tax collections. The General Fund and the Civic Center Fund receive tax collections based on the proportion of dedicated cents on the tax rate. The Civic Center Fund receives 0.15 cents, which is 0.3% of collections. The General Fund receives 99.7% of collections. The reduction in the amount allocated for the Civic Center is due to the completion of debt payments on the original construction of the Civic Center.